

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Annual Compliance Report, 2021

Docket No. ACR2021

CHAIRMAN'S INFORMATION REQUEST NO. 10
AND NOTICE OF FILING UNDER SEAL

(Issued February 2, 2022)

To clarify the basis of the Postal Service's FY 2021 *Annual Compliance Report* (ACR), filed December 29, 2021,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than February 9, 2022.

Flats

1. Please refer to the following table, which shows the percentage increase in costs per broken bundle and the percentage increase in cost per piece in broken bundle in FY 2021:

¹ United States Postal Service FY 2021 *Annual Compliance Report*, December 29, 2021 (FY 2021 ACR).

Table: FY 2021 Increase in the Estimated Cost Impact²

Mail Class/Products	Annual Change in Estimated Cost Impact Per Broken Bundle (\$)	Annual Change in Estimated Cost Impact Per Piece in Broken Bundle (\$)
Periodicals	30%	27%
USPS Marketing Mail Flats & Carrier Route	22%	17%

- a. Please confirm that these percentages are correct. If not confirmed, please provide the corrected percentages, identify the data used to calculate these percentages and describe the underlying methodology.
- b. If question 2.a. is confirmed, or percentages provided in question 2.a. show an increase in the estimated cost from FY 2020 to FY 2021, please discuss the factors that may have contributed to the increase in the estimated cost per broken bundle and the estimated cost per piece within a broken bundle.

USPS Marketing Mail

2. Please refer to the attached Excel file, "Attachment 1.xlsx," which compares mail processing costs for FY 2020 and FY 2021.
 - a. Please confirm that the unit mail processing costs for USPS Marketing Mail Parcels rose by 26 percent in FY 2021.
 - b. If confirmed, please explain the significant factors that contributed to the 26 percent rise in unit mail processing costs.

² See Library Reference USPS-FY21-45, December 29, 2021, Excel file "CH 6 Data and Tables FY21. PRC.LR.9 Update.xlsx," tab "Table 5-Bundle Cost Impact," cells F4:G5; Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-15 of Chairman's Information Request No. 13, February 16, 2021, question 10, Excel file "Q10 ChIR No. 13.xlsx," tab "Impact," cells E4:F5 (Docket No. ACR2020 Response to CHIR No. 13).

c. If not confirmed, please explain.

Competitive International Mail

3. Please see Attachment, filed under seal.

By the Chairman.

Michael Kubayanda